

Remarks by Governor Donald L. Carcieri
Child Care Unionization Bill Veto Press Conference
Wednesday, July 22, 2005

Everyone in Rhode Island has heard me say that the child care unionization bill is bad for children, families and taxpayers.

Today, I'm here to veto this bill on behalf of the people of Rhode Island. I'm also here today to ask the people of Rhode Island to help me sustain this veto by calling their state Representatives and Senators.

Make no mistake about it. This bill is a full-scale assault on Rhode Island taxpayers and families by powerful labor unions. Unfortunately, the union's desire for new members and more union dues will come at the expense of the families and taxpayers who will be forced to pay the bill, and of the families and children that this program is designed to serve.

It is important to remember that -- like many other businesses licensed by the state -- the home-based child care providers operate as independent, for-profit, small businesses. They work out of their private homes. They are hired directly by parents. And they make all the decisions about how to operate their small businesses.

Rhode Island already operates one of the most generous child care subsidy programs in America. Our state subsidies are higher than the subsidies given by our neighboring states. And more people are eligible for a subsidy here in Rhode Island than in practically any state in the nation.

As a result, Rhode Island's child care program has been a resounding success story. It has worked tremendously well for families in need, providing parents with the opportunity to go to work and earn for their families.

Not surprisingly, however, the cost of the child care subsidy program has increased dramatically in recent years, from \$31.4 million in 1999 to \$80.5 million this year. In other words, the cost has more than doubled in five years!

At the same time, many home day care providers, and their children, receive free state-subsidized health care. In fact, a home-based child care provider can receive free health insurance after caring for just one child for only twelve weeks.

Rhode Island is the only state in the country to provide this generous benefit. Last year, the cost of providing free health care to child care providers and their families exceeded \$2 million.

These cost increases have come at a time when the state has been facing significant yearly budget shortfalls that have impaired our ability to fund other important programs. Escalating spending on our child care program has also contributed to Rhode Island's high tax burden, which is currently ranked as 6th in the country.

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This bill would make these problems worse, while adding a number of new concerns.

First, by forcing the state to negotiate reimbursement rates with a providers' union, this bill would inevitably increase the program's cost to Rhode Island taxpayers.

Second, allowing a child care union to negotiate increased state rates will trigger increases in the rates paid by parents of unsubsidized children. In other words, every Rhode Island parent would be punished with higher rates if this bill is allowed to become law.

Third, the increased cost of the child care subsidy program could force the state to consider reducing eligibility for families and children. Many low-income families would be harmed in the process.

Fourth, child care health and safety regulations should never be subject to union veto or negotiation. I will oppose any and all efforts to weaken the state's ability to regulate and ensure the safety of our children.

Finally, this bill would set a remarkably bad precedent for every other regulated group of independent contractors who wanted to form a union and negotiate the terms of their regulation with the state. Rhode Island currently regulates and helps pay hundreds of independent businesses and businesspeople. But being licensed, regulated or subsidized by the state does not and should not qualify these independent businesses to become "virtual" state employees. This legislation would turn that principle on its head, and would open the door to thousands of independent business to form unions and negotiate as if they were state employees.

I will veto this bill because it is bad for our most vulnerable children, for our most needy families, and for Rhode Island's overburdened taxpayers.

Thank you again.

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